NEWSLETTER – SUMMER June 25, 2010

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OUR MISSION

"To provide water service that is dependable, economical, and meets or exceeds health standards for all cooperative members."

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BWC OFFICE

LOCATION: 5901 Hillside Rd

MAIL: P.O. Box 164

HOURS: 8:00 am – 4:00 pm

PHONE/FAX

(410) 586-8710 (ph)

(410) 586-1963 (fax)

WEB PAGE: www.beacheswater.com

EMAIL: apc@chesapeake.net EMERGENCY: (410) 231-1156 DROP BOX: Outside Gate

Board of Directors

Gary Clarke – President Fritz Riedel-Vice President Sandy Anderson- Sec-Treas Bill Bozman – Director Dan Crain – Director Chris Pappas-Director

Contract Management

Dennis DiBello - Business Manager/ Superintendent Jackie Jacob – Bookkeeper Cheryl Houchen-Receptionist Kenny Grover – Operations Tech. Ray Foster - Maintenance Tech.

Attend a monthly Board of Director's meeting at the office (5901 Hillside Road) generally on the second Thursday of the month. Call ahead. (410) 586-8710.

I. President's Corner

I will leave it to our Superintendent, Dennis DiBello, to fill you in on some of the accomplishments in FY 2010 elsewhere in this Newsletter. Those accomplishments resulted from a lot of hard work by Dennis and his field technicians, as well as an excellent group in our office who truly run the business. They all have difficult jobs, because there are simply never enough resources. The nature of a not-for-profit water company is that there will never be enough money to make all the improvements we would like, and never enough help or hours in the day to get it done.

As a result, we have had to be very creative to make improvements to our system. We spend most of each Board of Director's meeting debating the costs of maintaining and improving our system, a never ending job, in the most cost-effective and least expensive way. We have been able to install almost 200 meter pits in the community so far, most of those from a capital budget which is quite meager compared to our needs. We are currently working on several projects. One project is to improve the water supply to the hill on Ash Road, the highest spot in the community. Another project is to continue to install meter pits, and eventually, meters, in our entire system. A third, and ongoing project, is upgrading lines and piping, some of which have been in the ground 80 years!

Many of our members seem not to realize that this is <u>our</u> company, and each and every one of us as members has a share in that company. When there is a water usage moratorium as there was recently when our largest tank was empty and being repaired, some of our members chose to water their lawns anyway. There was a reason for our change of business name to <u>Beaches Water Cooperative</u>. You and I and the neighbors around us all have an equal share in the business of getting water out of the ground, treating it, and distributing it to our entire community to benefit us all. Please consider your neighbors and friends in the community in those instances. When you conserve water, and use only what you must to keep the plants in your yard healthy and green, you benefit our entire community. I enjoy a green lawn when it rains, and when it does not, the grass dies back until it rains again. Clean water coming in to our homes will be nothing short of a luxury in the future, and if we treat it that way now, it will last us a lot longer.

Several years ago, when the economy took a turn for the worse, we anticipated difficulties in collecting the quarterly bills from many of our members and that has happened in fact. The recent economic woes have touched many people in our community, and we have done everything we can to work with them to maintain their water supply while still maintaining the financial health of the company, which is required of us as Directors of the company.

Announcing the Beaches Water Cooperative's Annual Meeting

Date: September 12, 2010 **Time:** 3:00 pm **Location:** Long Beach Civic Center on Calvert Blvd

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Water Quality Questions

Do we add fluoride to the drinking water? - No we do not. Although in some areas of the country water systems add fluoride to the water, Beaches Water Co-op is only licensed by the State of Maryland to treat the drinking water for bacteriological concerns. Trace amounts of fluoride naturally occur in the aquifers, but those amounts are not significant to aid in children's dental growth and development. Many doctors/dentist prescribe fluoride supplements or children's vitamins with fluoride,

Chlorine smell? - Water is disinfected to ensure it is safe to drink, Chlorine treatment is the most common and effective disinfectant. At times the treated water may have a chlorine smell. This is the free chlorine residual that we must maintain to ensure the water at your tap is safe to drink, Letting the water stand for a few minutes dissipates the smell.

Arsenic Informational Statement:

While your drinking water meets EPA's standard for arsenic, it does contain low levels of arsenic. EPA's standard balances the current understanding of arsenic's possible heath effects against the cost of removing arsenic from drinking water. EPA continues to research the health effect of low levels of arsenic. Arsenic is a mineral known to, at high concentrations, cause cancer in humans, and is linked to other health effects such as skin damage and circulatory problems.

I. President's Corner (continued)

We will continue to do what we can for those members who are having trouble making ends meet, but we cannot allow other members and the company to suffer as a consequence. Please do all you can to pay your water bill in a timely manner. Ultimately, we must cut off the water supply to those who do not pay their bill. If you are one of those having difficulty, please contact us to make payment arrangements to avoid having your water shut off.

We hope to see you at our annual meeting in September. We currently need another Director on the Board, so if you are interested, please let us know.

Sincerely, Gary Clarke, President

II. Water System Operations, Maintenance & Improvements

We have had another challenging year for the water company with an aging infrastructure and increased regulation. I would like to personally thank each of you for being understanding and supportive of our small limited operation as we respond to these challenges.

In one regard, being a small community owned system has its advantages, especially, when we see, in the local news, what it takes to restore water service to tens of thousands of customers when there is a failure of a 6 foot water main. We are able to respond much quicker with less impact on our members. However, limited budgets make us set priorities and we cannot always do everything we want to do to improve the system.

In the last year, we have continued to install meter pits when either there is a need to work at a member's property or on a planned basis. We are most efficient when we can plan the installation of many meter pits in an area. In that way, we are sharing our time and resources among many installations. Out of the 800 homes we service, we have installed 187 meter pits. That is quite an accomplishment when you consider that they were installed within our normal operating and capital budget. Of course, we still need to install the remaining pits and then install meters which are an even greater expense.

Our biggest improvement this year was the painting and restoration of the 100,000 gallon storage tank at the Slater Pumping Station. We planned to paint the tank interior and perform minor repair. After opening it up, we found that the roof beams had rusted to the point that they needed to be replaced. The two week painting job turned into a month long job. I am happy to report that we were able to operate for that period without an outage of the water system, although some of you may have noticed reduced pressure in the system.

As far as regulation goes we are now testing the water for by-products of chlorinating the water. For a ground water system with deep aquifers this is not much of a problem for us. Mainly, since we do not have a lot of organics in the system, we do not have as much demand, chlorine usage, and thus by-products. This EPA by-product rule is more concerned with surface water or reservoir type systems. As shown below, we continue to meet all water quality requirements.

III. Disinfectant Byproduct Rule

Pathogens, such as *Giardia*, are sometimes found in drinking water sources, and can cause illness. In most water systems, water is disinfected to inactivate (or kill) these microbial pathogens as a preventative measure. However, disinfectants like chlorine can react with naturally-occurring materials in the water to form byproducts such as trihalomethanes (THM), haloacetic acids (HAA), chlorite, and bromate. These byproducts, if consumed in excess over many years, may lead to

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What are contaminants in my drinking water? Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's (EPA) Safe Drinking Water Hotline (800-426-4791). In order to ensure that tap water is safe to drink, EPA prescribes regulations that limit the amount of certain contaminants in water provided by public water systems. Food and Drug Administration (FDA) regulations establish limits for contaminants in bottled water which must provide the same protection for public health.

Water Conservation

To aid in water conservation for our community, BWC is offering, at wholesale cost, water saving shower heads and faucet aerators. These water saving devices use to less water than the regular devices and produce similar water pressures. These water saving devices can be purchased, by our members only, at the BWC office for the following prices:

Device	Wholesale		
Shower Head	(your price) \$4.40		
Shower Wand	\$8.75		
Faucet aerator	\$0.50		
Toilet Tank Dams	\$1.99		

III. Disinfectant Byproduct Rule (con't)

increased health risks, including cancer. EPA has developed the Stage 2 Disinfectant Byproduct (DBP) Rule to protect public health by limiting exposure to these disinfectant byproducts in disinfected water. Beaches Water is chlorinated as a preventative measure, and thus Beaches Water falls under Stage 2 DBP Rule.

Under the Stage 2 DBP rule, Beaches Water must conduct an evaluation of our distribution system, to identify the locations with high disinfection byproduct concentrations to be used for compliance monitoring. Compliance with the maximum contaminant levels for two groups of disinfection byproducts (THMs and HAAs) will then be determined by calculating the running annual average of samples from the monitoring locations across the system.

The Stage 2 DBP rule also requires Beaches Water Co-op to determine if we have exceeded an operational evaluation level, which is identified using the compliance monitoring results. The operational evaluation level provides an early warning of possible future MCL (maximum contaminant level) violations, which will allow us to take proactive steps to remain in compliance. A system that exceeds an operational evaluation level is required to review their operational practices and submit a report that identifies actions that may be taken to mitigate future high DBP levels.

If the DBP levels at these locations are above the MCL, the system will start to take corrective actions. These actions could range from simple, quickly implemented management or operational changes to major construction. Any changes made by systems must be well studied and planned before execution.

Unfortunately, Beaches Water missed a deadline to submit representative data to support a (40/30) certification, which would have waived part of the preliminary monitoring requirement, and we will have to conduct a year of monitoring as a result.

For additional details on the Stage 2 Disinfection Byproduct Rule and the 40/30 Certification process, see:

http://www.epa.gov/safewater/disinfection/stage2/basicinformation.html

http://www.epa.gov/safewater/disinfection/stage2/pdfs/fs_vss_4030_fact_sheet_final.pdf

IV. Right of Ways

From time to time it is necessary to repair, replace, or install new distribution piping in the right-of-ways. More of this will be happening with the installation of water meter pits. When this happens, you may notice digging along side the road in the right-of-ways. These road right-of-ways exist past the paved portion of the road and are usually 40 or 50 feet wide where as the road may only be 25 foot wide. Many community members maintain these right-of-ways areas as part of their yards. When it is necessary to dig in these areas we will always return these areas to the same or better condition that they were in prior to the work. Remember we are a member owned organization and those BWC guys out there working are looking out for the best interests of the community.

V. National Night Out

Come and join us for the 27th Annual National Night Out on Tuesday, August 3, 2010. National Night Out is a unique crime/drug prevention event sponsored by the National Association of Town Watch. Beaches Water Co-op is proud to participate in this important campaign to strengthen neighborhood spirit and heighten crime and drug prevention awareness. Come out and meet your Board members.

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Action Level (AL) - The concentration of a contaminant, which, if exceeded, triggers treatment or other requirements, which a water system must follow. Non-Detects (ND) - Laboratory analysis indicates that the constituent is not present.

Parts per million (ppm) or Milligrams per liter (mg/l) - One part per million corresponds to one minute in two years or a single

Parts per billion (ppb) or Micrograms per liter - One part per billion corresponds to one minute in 2,000 years, or a single penny in \$10,000,000.

penny in \$10,000.

Treatment Technique (TT) - A treatment technique is a required process intended to reduce the level of a contaminant in drinking water.

Maximum Contaminant Level - The "Maximum Allowed" (MCL) is the highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

Maximum Contaminant Level Goal - The "Goal" (MCLG) is the level of a contaminant in the drinking water table, at which there is no known or expected risk to health. MCLGs allow for a margin of safety.

Maximum Residual Disinfectant Level - (MRDL) Maximum residual disinfectant level. The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

Terminology used in this report is what is generally accepted as a means of measurement of the degree of contaminants in the water. Contaminants include naturally occurring items in the water such as minerals and foreign matter that may or may not be acceptable based on the level detected.

VI. Annual Water Quality & Consumer Confidence Report

Our drinking water is safe and meets all federal and state requirements for community drinking water. In 2009, there were no water quality violations. Our water quality results are based on the monitoring cycle for the contaminant up to December 31st, 2009. The amount of contaminants in our drinking water is well below levels set by the Environmental Protection Agency in all categories. We routinely monitor for contaminants in your drinking water according to Federal and State laws. All drinking water, including bottled drinking water, may be reasonably expected to contain at least small amounts of some contaminants. It's important to remember that the presence of these contaminants does not necessarily pose a health risk. If you have any questions about the Annual Water Quality Report please contact us at 410-586-8710.

Microbial Results	MCLG	MCL	Level Detected	Violat	Likely Source of Contamination	
Total Coliform Bacteria	0	> 5% samples	0	NO	Naturally present in the environment	
Antimony (mg/L)	0.006	0.006	0.0025	NO	Fire retardants; ceramics; electronics; solder	
Di (2-ethylhexyl) phthalate (ppb)	0	6.0	1.1	NO	Discharge from rubber & chemical factories	
Arsenic (ppb)	1.0	10	7.1	NO	Natural deposits	
Bromodichloro- methane(ug/L)	n/a	80	0.8	NO	Drinking water disinfection byproduct	
Cadmium (mg/L)	0.005	0.005	0.0034	NO	Corrosion of galvanized pipes; erosion of natural deposits; runoff from waste batteries and paints	
Chloroform (ug/L)	n/a	80	1.3	NO	Drinking water disinfection byproduct	
Chromium (mg/L)	0.1	0.1	0.0025	NO	Erosion of natural deposits	
Copper (mg/L)	1.3		0.24	NO	Natural deposits; corrosion of household piping	
Iron - (mg/L)			0.14	NO	Natural deposits	
Fluoride - (mg/L)	4.0	4.0	0.32	NO	Erosion of natural deposits; Leaching	
Nitrate	10	10	1.0	NO	Fertilizer runoff, leaching from sewage, erosion of natural deposits	
Potassium(mg/L)			16.3	NO	Natural deposits-clay	
Silica (mg/L)			15.6	NO	Natural deposits-sand	
Sodium - (mg/L)			6.9	NO	Natural deposits; Leaching	
Total Trihalo- methanes (mg/L)	n/a	0.80	0.002	NO	Drinking water disinfection byproduct	
Total Disolved Solids (mg/L)	500	500	156	NO	Natural deposits	
Gross Alpha (pCi/L)	0	15	1.0	NO	Erosion of natural deposits	
Gross Beta (pCi/L)	0	50	17	NO	Erosion of natural deposits	

Schedule of Fees

Application/Transfer Fee

\$ 40.00

Quarterly Service

\$ 100.00

New Service

\$3,000.00

Pool (annual)

\$ 100.00

Shut-off

\$ 100.00 (Non-payment)

\$ 40.00 (Customer's Request)

Reconnect

\$ 40.00

Extended Shut-off

\$ 400.00

Return Check

\$ 25.00

Late Penalty

One time 10% applied 10 days after end of quarter

Quarterly Billing

January 1 April 1 July 1 October 1

A 10% finance charge is assessed 10 days after the quarter for unpaid bills.

Service Advisory -- We will be flushing community fire hydrants the week of July 12-16, 2010 starting at 9:00 a.m. This may cause the water to be discolored due to disturbing the sediment and deposits in the pipes. This sediment is naturally occurring minerals in the water. Discolored water poses no health hazard. It is free from harmful bacteria and safe for all household uses, such as showering, cooking, flushing of toilets, etc. You can drink the discolored water, but it may taste different. However, you should NOT wash clothes in your washing machine if the water is discolored as clothing may stain. Flush your water lines though an outside hose bib to clear up the discoloration.

VI. Annual Water Quality & Consumer Confidence Report (cont'd)

Lead Statement: If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Beaches Water Co-op is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your drinking water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the EPA Safe Drinking Water Hotline at 1-800-426-4791 or at http://www.epa.gov/safewater/lead.

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbial contaminants are available from the Safe Water Drinking Hotline (800-426-4791).

Water Source: Our water is drawn from deep wells in the Aquia and Nanjemoy aquifers.

VII. Financial

The following chart is a breakdown of the budget for the fiscal year 7/1/10-6/30/11

BWC FY 2010/11 BUDGET	INCOME		
Water service	318,400		
Pool water service	4,500		
Space Rental	1,200		
Advertising-Quarterly	2,400		
Application & Transfer Fees	2,500		
Total Income	\$329,000		
BWC FY 2010/11 BUDGET	EXPENSES		
Auditing	7,500		
Bad Debt	1,000		
Bank Service Charges	520		
Depreciation Expense	61,236		
Professional Memberships	486		
Engineering	1,500		
Insurance	12,500		
Loan Interest	200		
Mortgage Pay Down	8,360		
Mortgage Interest	7,507		
Legal	405		
Licenses and Permits	232		
Office - Other	5,272		
Operating Supplies	13,300		
Repairs & Maintenance	23,000		
Routine Service	147,786		
Solid Waste Fee & BRF	200		
Utilities	32,414		
Water Testing	5,582		
Total Expense	\$329,000		

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